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Message Text

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C O N F I D E N T I A L HELSINKI 1418

EO 11652: GDS
TAGS: PINR, PINT, FI
SUBJECT: ARVO HAUTALA BECOMES HOUSING MINISTER

1. SUMMARY. THE NAMING OF A TOUGH, EXPERIENCED OUTSPOKEN SPOKESMAN OF THE MAJORITY FACTION OF THE FINNISH COMMUNIST PARTY (SKP) AS MINISTER OF HOUSING IS SYMBOLIC OF THE INCREASING CONFIDENCE OF THE MAJORITY THAT ITS POLICY IS IN THE ASCENDENT WITHIN THE PARTY. ARVO HAUTALA SHOULD STRENGTHEN THE COMMUNISTS' TEAM WITHIN THE COALITION GOVERNMENT BUT AT THE SAME TIME INCREASE THE GOVERNMENT'S ABILITY TO DEAL WITH SOME OF ITS MOST INTRACTABLE PROBLEMS -- PRICE CONTROLS AND UNEMPLOYMENT. END SUMMARY.

2. ARVO HAUTALA WAS NAMED TO SUCCEED OLAVI HANNINEN AS SECOND MINISTER OF THE INTERIOR (POPULARLY CALLED THE HOUSING MINISTER) ON JUNE 29, 1976. HAUTALA WAS A LAST-MINUTE SURPRISE CHOICE FOR THE JOB BY THE COMMUNIST-FRONT FINNISH PEOPLE'S DEMOCRATIC LEAGUE (SKDL) WHICH HOLDS FOUR SEATS IN THE 18-MEMBER GOVERNMENT. HAUTALA, WHOSE HEALTH WAS WEAKENED BY A BOUT WITH THROAT CANCER IN 1972, EXPECTED TO RETIRE WHEN HE STEPPED DOWN AS SECOND CHAIRMAN OF THE FINNISH TRADE UNION CONFEDERA-
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TION AND WAS SUCCEEDED BY HANNINEN ON JUNE 16 (SEE

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HELSINKI 1345). STRONG APPEALS BY "MAJORITY" COMMU-
NIST AND SKDL LEADERS PERSUADED HIM TO ACCEPT THE "WILL
OF THE PARTY" AND TAKE THE MINISTRY.

3. THE COMMUNISTS' CHOICE IS AS REMARKABLE AS IT IS
SHREWD. HAUTALA WAS THE INDIVIDUAL WHO IN MAY 1974
PUBLICLY LAUNCHED THE COUNTERATTACK ON THE HARD-LINE
"MINORITY" FACTION IN THE FINNISH COMMUNIST PARTY
(SKP) LED BY TAISTO SINISALO (74 HELSINKI 1051). HE
WAS SUBSEQUENTLY CRITICIZED IN PRAVDA AND THE SUBJECT
OF FREQUENT ATTACKS BY THE "TAISTOISTS." HE FIRMLY
PERSISTED IN HIS VIEWS, HOWEVER, AND AT THE SKP CONGRESS
IN MAY 1975 WAS GIVEN EXTRA TIME TO ANSWER THE MINORITY'S
CHARGES. RECENTLY THE CAMPAIGN HAUTALA BROUGHT INTO
THE OPEN HAS BEGUN TO HAVE RESULTS. THE TAISTOISTS
LOST GROUND IN THE SKDL CONGRESS IN MAY 1976 (HELSINKI
1210), AND IN JUNE THEY LOST THEIR ONLY SEAT ON THE SAK
EXECUTIVE BOARD (HELSINKI 1345). TWO WEEKS LATER THE
TAISTOISTS WERE SIMILARLY EXCLUDED FROM THE EXECUTIVE
BOARD OF THE SAK'S SECOND LARGEST UNION, THE 115,000-
MEMBER LOCAL GOVERNMENT EMPLOYEES UNION ((5;).
COMMENT: ONE MUST REMEMBER THAT HOWEVER PLEASING
THESE TAISTOIST SETBACKS MAY SEEM THEY DO NOT LESSEN
THE DANGER THE TOTAL COMMUNIST MOVEMENT REPRESENTS
TO THE PRESENT ORGANIZATION OF FINNISH SOCIETY. THE
DISPUTE BETWEEN THE TWO COMMUNIST FACTIONS IS
BASICALLY ONE OF TACTICS. THE ULTIMATE GOAL IS THE
SAME. HAUTALA AND SKP CHAIRMAN ARNE SAARINEN FEEL
THAT TOTAL GOVERNMENTAL CONTROL OF SOCIETY CAN BEST
BE ADVANCED BY COOPERATING WITH OTHER ELEMENTS OF
SOCIETY AND BY PRESSING THEIR OWN VIEWS GRADUALLY
INSTEAD OF BY CONFRONTATION.

4. HAUTALA WILL BRING SPECIAL STRENGTHS TO THE COMMUNIST
GROUP IN GOVERNMENT AND BECAUSE OF HIS LONG EXPERIENCE
WILL PROBABLY BE A MORE EFFECTIVE MINISTER THAN HIS
PREDECESSOR. HE IS ABOVE ALL A TOUGH AND CRAFTY
NEGOTIATOR. HIS QUIET MODEST MANNER OF SPEAKING
CLOAKS FIRM OBJECTIVES, AND HE HAS NEARLY THIRTY YEARS
OF EXPERIENCE IN COLLECTIVE BARGAINING. HE IS INTI-
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MATELY FAMILIAR WITH THE PROBLEMS OF PRICE CONTROLS
WHICH WILL BE ONE OF THE GOVERNMENT'S MAJOR CONCERNS
IN THE NEXT FEW MONTHS. HE ALSO KNOWS THE HOUSING
INDUSTRY NOT ONLY AS A FORMER CONSTRUCTION WORKER
BUT AS A TRADE UNION LEADER INTIMATELY INVOLVED WITH
ITS RECENT DEVELOPMENT. SINCE ECONOMIC RECOVERY
PROMISES TO BE SLOWEST IN CONSTRUCTION -- WHICH WAS
SERIOUSLY OVERHEATED UNTIL THE RECENT SLUMP --

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REQUIRING REDUCTION OF THE WORK FORCE AND THE RETRAIN-
ING OF MANY WORKERS WHO HAVE ENJOYED SOME OF THE
HIGHEST WAGE RATES IN FINNISH INDUSTRY, THE GOVERNMENT
FACES POTENTIAL UNREST IN THIS AREA. HERE HAUTALA
WILL BE DEALING WITH CONSTRUCTION WORKERS, THE
COUNTRY'S LARGEST COMMUNIST-LED TRADE UNION, AND WILL
HOPEFULLY BE ABLE TO BRING HIS CONSIDERABLE TALENT
IN ACHIEVING RECONCILIATION AND MUTUAL UNDERSTANDING
TO BEAR.

5. HAUTALA IS CONSIDERED A MAN OF HIS WORD HIGHLY
RESPECTED BY HIS ADVERSARIES AS WELL AS HIS SUPPORTERS.
ALTHOUGH FIRM IN HIS CONVICTIONS, HE IS EXPECTED TO
HAVE FEW PROBLEMS IN DEALING WITH HIS GOVERNMENT
COLLEAGUES.

6. FAIRLY COMPLETE BIOGRAPHIC INFORMATION IS ALREADY
AVAILABLE IN THE DEPARTMENT ON HAUTALA. HE WAS BORN
APRIL 22, 1917, IN EVIJARVI, ONE OF TEN CHILDREN OF A
SMALL FARMER. ALTHOUGH EXPOSED TO THE LABOR MOVEMENT
IN HIS YOUTH, HE DID NOT BECOME ACTIVE POLITICALLY
UNTIL AFTER HIS WARTIME SERVICE. (HE FOUGHT IN BOTH
WARS AGAINST THE SOVIET UNION AND WAS THE ONLY ENLISTED
MAN AWARDED THE FREEDOM MEDAL -- A FACT NOT MENTIONED
IN HIS OFFICIAL BIOGRAPHIES.) HAUTALA JOINED THE
COMMUNIST PARTY IN 1945 AND ACHIEVED CONSIDERABLE
NOTORIETY BY LEADING THE LONG AND BITTER STRIKE FOR
UNION RECOGNITION AT THE ARABIA PORCELAIN FACTORY
IN 1948-49. HE WAS SUBSEQUENTLY "BLACKLISTED" BY
EMPLOYERS AND HIRED AS SECRETARY OF THE TRADE UNION
SECTION OF THE SKP. AFTER ATTENDING THE SKP'S
SIROLA TRAINING INSTITUTE IN 1950-51, HE BECAME
SKP DISTRICT SECRETARY IN KYMENLAAKSO WHERE TAISTO
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SINISALO WORKED UNDER HIM AS THE LOCAL SKDL EDUCA-
TIONAL SECRETARY. IT WAS AT THIS TIME THAT HAUTALA
HAD HIS FIRST INTERNATIONAL EXPERIENCE AS A PARTICI-
PANT IN THE 19TH CONGRESS OF THE CPSU, STALIN'S LAST.
IN A RECENT TELEVISION INTERVIEW HAUTALA SAID THAT
THE TWO THINGS THAT MADE THE GREATEST IMPRESSION ON
HIM THERE WERE THE BUREAUCRACY OF THE SOVIET PARTY
AND THE OVERBEARING MANNER OF STALIN AND BERIA. HE
WENT ON TO SAY HE WAS PLEASED WITH CHANGES THAT TOOK
PLACE AFTER STALIN'S DEATH. FROM 1953 TO 1966 HAUTALA
LED THE FOOD PROCESSING WORKERS UNION. IN 1966
HAUTALA BECAME SECOND CHAIRMAN OF THE SAK AND JOINED
THE POLITICAL COMMITTEE (POLITBURO) OF THE SKP. BOTH
WITHIN THE FOOD PROCESSING WORKERS UNION AND THE SAK
HAUTALA PUT PARAMOUNT EMPHASIS ON COOPERATION -- RATHER

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THAN CONFRONTATION -- BETWEEN THE SOCIAL DEMOCRATS
AND COMMUNISTS. HE IS A FIRM BELIEVER THAT THE
WORKING POPULATION MUST BE AS UNITED AS POSSIBLE
IF IT IS TO SUCCESSFULLY DEFEND AND ADVANCE ITS
INTERESTS. WITHIN THE COMMUNIST PARTY HAUTALA
BELIEVES THAT THE WILL OF THE MAJORITY SHOULD PREVAIL
AND THAT THE TAISTOISTS HAVE BROKEN DISCIPLINE AND
POLITICAL MORALS BY OPENLY OPPOSING THE MAJORITY.

6. THE NAMING OF HAUTALA NOT ONLY DISPELS ANY
DOUBTS THAT HIS RETIREMENT FROM THE SAK INDICATES
HIS VIEWS ARE BEING SHELVED BY THE SKP'S MAJORITY
BUT IT IS ALSO ANOTHER IN RECENT SERIES OF DIRECT
CHALLENGES TO THE TAISTOISTS. IT IS A DECLARATION
OF CONFIDENCE AND GREATER INDEPENDENCE BY THE FINNISH
COMMUNIST LEADERSHIP IN THE MANNER OF THEIR FRENCH
AND ITALIAN COMRADES.
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